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**STANDARD FUEL CO.
LIMITED**

AND ITS SUBSIDIARY COMPANIES



**THIRTY-NINTH ANNUAL REPORT
OF
THE BOARD OF DIRECTORS
FOR THE YEAR ENDED APRIL 30, 1967**



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THIRTY-NINTH ANNUAL REPORT
OF THE
BOARD OF DIRECTORS
OF
STANDARD FUEL CO. LIMITED

FOR THE YEAR ENDED
APRIL 30, 1967

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

IMPORTERS OF AND DEALERS IN

Fuel Oil

Bituminous Coal

—

Anthracite Coal

Industrial and Domestic

WHOLESALE AND RETAIL

SUBSIDIARY COMPANIES

The Milnes Coal Company, Limited

Milnes Fuel Oil Limited

Standard Fuels Limited

Consolidated Coal & Dock Co. Limited

STANDARD FUEL CO. LIMITED

Incorporated under the Companies Act, Canada

BOARD OF DIRECTORS

MR. J. HERBERT MILNES	- - - - -	Toronto, Ont.
MR. JOHN H. MILNES	- - - - -	Toronto, Ont.
MRS. R. S. WILLIAMS	- - - - -	Toronto, Ont.
MR. J. L. STEWART, Q.C.	- - - - -	Toronto, Ont.
MR. D. B. HORSLEY	- - - - -	Toronto, Ont.

OFFICERS

<i>President and Managing-Director</i>	- - - - -	MR. J. HERBERT MILNES
<i>Executive Vice-President</i>	- - - - -	MR. JOHN H. MILNES
<i>Secretary-Treasurer</i>	- - - - -	MR. C. W. SWASH

<i>Assistant General Manager, Fuel Oil Division</i>	-	MR. JAMES L. MORRISON
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HEAD OFFICE

1815 Yonge Street, Toronto 7, Ontario

TRANSFER AGENT

NATIONAL TRUST COMPANY, LIMITED, TORONTO, ONT. AND MONTREAL, P.Q.

REGISTRAR

EASTERN & CHARTERED TRUST COMPANY, TORONTO, ONT. AND MONTREAL, P.Q.

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

THIRTY-NINTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

To be submitted at the Annual Meeting of Shareholders to be held in Toronto on Thursday, the 31st day of August 1967 at the hour of 12 o'clock noon (Eastern Daylight Saving Time.)

To the Shareholders of:

STANDARD FUEL CO. LIMITED

Your Directors submit herewith the consolidated balance sheet as at April 30, 1967, together with consolidated statement of profit and loss, and consolidated statement of retained earnings for the year ended that date.

Net Profit for the year amounted to \$129,940. This is an increase of 44% over the earnings of previous year.

Similar to other companies we are faced with continually increasing costs. This is especially evident in the distribution and service ends of the business.

During the 1966-1967 year a further 1,243 shares of your Company's 4½% Cumulative Redeemable Preferred stock with a par value of \$62,150 were purchased and cancelled. This transaction added \$9,536 to our Contributed Surplus.

After providing for said purchase of Preferred Shares the net Working Capital of your company shows a satisfactory increase over last year.

Your Directors record their appreciation of the service rendered by the employees throughout the year.

Submitted on behalf of the Board.

Toronto, Canada, July 14, 1967.

J. HERBERT MILNES,
President.

STANDARD FUEL

and its Subsidiaries

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash on Hand and in Banks, including \$489,855 Short Term Investments.....	\$1,128,261
Accounts Receivable, less allowance for doubtful accounts	374,435
Inventories of coal, coke and fuel oil at the lower of cost or market.....	260,660
Prepaid Expenses.....	19,819
Corporation Taxes Recoverable.....	1,358

Total Current Assets.....	\$1,784,533
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SPECIAL REFUNDABLE TAX.....	5,708
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MORTGAGE RECEIVABLE.....	4,000
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PROPERTIES

Land, Buildings and Equipment as appraised by Dominion Appraisal Company, Limited, by appraisals dated June 15, 1928, and December 21, 1928, on the basis of depreciated values on such respective dates plus subsequent additions at cost.

Land.....	\$ 169,199
Buildings and Equipment.....	\$1,216,714
Less: Accumulated Depreciation.....	939,396

Total Properties.....	446,517
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GOODWILL.....	1
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TOTAL ASSETS.....	<u>\$2,240,759</u>
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Approved on behalf of the Board

J. HERBERT MILNES	} Directors.
JOHN H. MILNES	

Audited

To the Shareholders of
STANDARD FUEL CO. LIMITED

We have examined the Consolidated Balance Sheet of Standard Fuel Co. Limited Loss and Retained Earnings for the year ended on that date. Our examination included supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Consolidated Balance Sheet and Consolidated Income Statement of the companies as at April 30, 1967 and the results of their operations for the year ended on that date are in accordance with that of the preceding year.

Toronto, Canada, June 26, 1967.

O. LIMITED

Companies

- April 30, 1967

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable and Accrued Charges.....	\$ 84,560	
Uncashed Cheques.....	25,019	
Corporation Taxes Payable.....	37,391	
	<hr/>	
Total Current Liabilities.....		\$ 146,970

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized:

28,686 4½% Cumulative Redeemable Preferred
Shares, Par Value of \$50.00 each
(See Note 1 below)

50,000 Common Shares without Nominal or Par Value.

Issued and Fully Paid—

8,686 Preferred Shares..... \$ 434,300

50,000 Common Shares..... 200,000

Total Capital Stock..... \$ 634,300

CONTRIBUTED SURPLUS - Statement 2

Arising from Redemption of Preferred
Shares..... \$ 93,932

RESERVE FOR CONTINGENCIES..... 100,000

RETAINED EARNINGS—Statement 2..... 1,265,557 1,459,489

TOTAL SHAREHOLDERS' EQUITY..... 2,093,789

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$2,240,759

Note 1: Supplementary Letters Patent dated April 28, 1967, were granted to reduce authorized 4½% preferred shares from 40,000 shares to 28,686 shares.

This is the Balance Sheet referred to in our Report dated June 26, 1967.

NEWTON, KENNING & COMPANY
Chartered Accountants

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bsidiary Companies, as at April 30, 1967 and the Consolidated Statements of Profit and
in review of the accounting procedures and such tests of accounting records and other

ments of Profit and Loss and Retained Earnings present fairly the financial position of
in accordance with generally accepted accounting principles, applied on a basis consistent

NEWTON, KENNING & COMPANY
Chartered Accountants

STANDARD FUEL CO. LIMITED
and its Subsidiary Companies

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended April 30, 1967

BALANCE, April 30, 1966.....	\$1,157,328
Add: Net Profit for the Year—Statement 3.....	129,940
	<hr/> \$1,287,268
Deduct: Cost of Supplementary Letters Patent.....	\$ 2,100
Dividends on Preferred Shares.....	19,611
	<hr/> 21,711
BALANCE, April 30, 1967.....	<hr/> <u>\$1,265,557</u>

CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS

BALANCE, April 30, 1966.....	\$ 84,396
Additional surplus arising from the purchase for cancellation of 1,243 preferred shares during the year.....	9,536
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BALANCE, April 30, 1967.....	<hr/> <u>\$ 93,932</u>

STANDARD FUEL CO. LIMITED
and its Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended April 30, 1967

TOTAL SALES.....	\$2,179,883
Less: Cost of Sales and Operating Expenses.....	1,926,119
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NET PROFIT FROM OPERATIONS BEFORE DIRECTORS' REMUNERATION, DEPRECIATION AND INCOME TAXES....	\$ 253,764
Add: Income from Investments.....	48,346
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NET PROFIT BEFORE DIRECTORS' REMUNERATION, DEPRECIATION AND INCOME TAXES.....	\$ 302,110
Less: Directors' Remuneration.....	\$ 45,992
Depreciation of Buildings and Equipment.....	26,623
	<hr/> 72,615
NET PROFIT BEFORE INCOME TAXES.....	\$ 229,495
Income Taxes.....	99,555
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NET PROFIT FOR THE YEAR.....	<hr/> <u>\$ 129,940</u>

